

## Message Text

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ACTION OPIC-06

INFO OCT-01 AF-06 ISO-00 EB-07 AID-05 TRSE-00 COME-00 L-03

CIAE-00 INR-07 NSAE-00 /035 W

----- 100411

R 240722Z SEP 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 1328

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E.O. 11652: N/A

TAGS: EINV, NI

SUBJECT: FMG APPROVAL OF OPIC COVERAGE FOR CONTINENTAL  
SEAFOODS

REF: A) LAGOS 8047

B) STATE 195076

1. IN A SEPT. 17

NTTER TO EMBASSY MININDUSTRIES CONVEYED

FMG APPROVAL OF OPIC INSURANCE FOR CONTINENTAL SEA FOODS  
INVESTMENT IN NIGERIA. ALTHOUGH APPROVAL WAS NOT CONDITIONAL,  
MINISTRY INFORMED US OF ITS UNDERSTANDING THAT ABSENCE OF  
FOREING GOVERNMENT APPROVAL (FGA) OF OPIC COVERAGE HAD BEEN  
REASON BEHIND CONTINENTAL'S UNWILLINGNESS TO TRANSFER INTO  
NIGRIA ITS PORTION OF SHARE CAPITAL OF THE NIGERIAN NATIONAL  
SHRIMP CO. (NNSC). MINISTRY ADDED ITS HOPE THAT WITH FGA NOW  
GRANTED THIS CONSTRAINT TO BRINGING IN FUNDS HAS BEEN REMOVED.

2. ALTHOUGH REF B. ADVISED THAT CONTINENTAL VERY ANXIOUS TO  
OBTAIN OPIC COVERAGE PRIOR TO TRANSFER OF FUNDS AND CONSIDERING  
HOLDING UP INVESTMENT UNTIL FGA GIVEN WE DID NOT RELAY ALL THIS TO  
FMG. IN AUGUST 19 EMBASSY LETTER PLEADING CONTINENTAL'S CASE  
TO MINISTRY PERMSEC AND IN SUBSEQUENT CONVERSATIONS EMBOFFS  
NEITHER OFFERED FUNG TRANSFER AS QUID PRO QUO NOR THREATENED  
REFUSAL TO TRANSFER IN ABSENCE FGA, BUT MERELY POINTED OUT  
IN GENERAL TERMS DIFFICULTY CONTINENTAL WOULD HAVE IN MAKING  
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INVESTMENT WITHOUT INSURANCE COVERAGE.

3. IN SEPT. 12 CONVERSATION WITH EMBOFF, CONTINETAL VP  
BURGESS SAID COMPANY RELUCTANCE TO TRANSFER FUNDS TO NIGERIA  
STEMMED LESS FROM LACK OF FGA THAN FROM FINANCIAL REASONS.  
COMPANY DOES NOT WISH TRANSFER MONEY TO LAGOS BECAUSE MOST OF  
IT WILL BE SPENT OUTSIDE NIGERIA AND BURGESS WISHED TO AVOID  
THE HASSLE OF TRANSFERRING GUNDS FROM NIGERIA AS WELL AS HIGH  
COST OF LETTERS OF CREDIT HERE. ACCORDINGLY CONTINENTAL HAS  
DEPOSITED ITS PORTION OF SHARE CAPITAL IN A NEW YORK ACCOUNT  
IT HAS ESTABLISHED ON BEHALF NNSC.

4. COMMENT: ALTHOUGH THERE IS UNDOUBTEDLY NOTHING SINISTER  
BEHIND CONTINENTAL'S PUTTING MONEY IN NEW YORK RATHER THAN  
LAGOS, FMG MAY REFUSE TO CONSIDER THAT A  
CONTINENTAL INVESTMENT HAS TAKEN PLACE UNTIL IT SEES  
CONTINENTAL MONEY IN THIS COUNTRY. IF LATTER STICKS TO ITS  
GUNS SCENE COULD BE SET FOR NASTY CONFRONTATIONS BETWEEN  
PUTATIVE PARTNERS. POSSIBLE EMBASSY INVOLVEMENT COULD ARISE  
FROM MININDUSTRIES BELIEF (ERRONEOUS) THAT WE SAID FUND  
TRANSFER WOULD FOLLOW FGA. IF BURGESS, WHO SEEMED  
UNCONCERNED WITH EMBASSY-MININDUSTRY RELATIONS,  
SUGGESTED/TO OPIC/DEPT THAT SUCH A TRADE OFF WOULD OCCUR  
(AS STATE 195075 SUGGESTS), IT SEEMS HE IS BEING LESS  
THAN CANDID. EMBASSY PLANS TO WRITE TO HIM, SUGGESTING  
THAT BALL IS VERY MUCH IN CONTINENTAL'S COURT. END COMMENT.  
EASUM

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE, INDUSTRY  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LAGOS09411  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750331-0649  
**From:** LAGOS  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 87  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LAGOS 8047  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 AUG 2003 by ShawDG>; APPROVED <15 DEC 2003 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FMG APPROVAL OF OPIC COVERAGE FOR CONTINENTAL SEAFOODS  
**TAGS:** EINV, NI, CONTINENTAL SEAFOOD  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006